

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Wan Kei Group Holdings Limited.*



**Wan Kei Group Holdings Limited**

**宏基集團控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1718)**

## **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

### **Financial Adviser**



禹銘投資管理有限公司  
YU MING INVESTMENT MANAGEMENT LIMITED

### **Placing Agent**



**貝塔國際證券**  
BETA INTERNATIONAL SECURITIES

On 3 April 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure, on a best effort basis, not less than six Placées to subscribe for up to 19,200,000 Placing Shares at the Placing Price of HK\$1.00 per Placing Share. The Placing Shares will be allotted and issued under the General Mandate.

Assuming that there will be no change in the total number of issued Shares between the date of this announcement and the Completion, the maximum number of Placing Shares of up to 19,200,000 Shares represent 20.00% of the total number of issued Shares as at the date of this announcement and approximately 16.66% of the total number of issued Shares as enlarged by the allotment and issue of all the Placing Shares.

The Placing Price of HK\$1.00 per Placing Share represents (i) a discount of approximately 14.53% to the closing price of HK\$1.17 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.70% to the average closing price of approximately HK\$1.23 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$19.2 million and the net proceeds will be approximately HK\$18.7 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.97 per Placing Share. The Directors intend to apply the entire net proceeds for the administration and operation expenses of the headquarters of the Group in Hong Kong (including director and staff remuneration, rental expense, professional fee and other operation expenses).

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment of the conditions as set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

On 3 April 2024 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which, the Placing Agent has conditionally agreed, as the placing agent of the Company, to procure, on a best effort basis, not less than six Placees to subscribe for up to 19,200,000 Placing Shares at the Placing Price of HK\$1.00 per Placing Share. The principal terms of the Placing Agreement are set out below.

## **THE PLACING AGREEMENT**

Date: 3 April 2024  
Issuer: the Company  
Placing Agent: Beta International Securities Limited

Based on the confirmation of the Placing Agent and to the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

### **Placees**

The Placing Agent will, on a best effort basis, place the Placing Shares to not less than six Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder.

## **Number of Placing Shares**

Assuming that there will be no change in the total number of issued Shares between the date of this announcement and the Completion, the maximum number of Placing Shares of up to 19,200,000 Shares represent 20.00% of the total number of issued Shares as at the date of this announcement and approximately 16.66% of the total number of issued Shares as enlarged by the allotment and issue of all the Placing Shares. The aggregate nominal value of the maximum number of Placing Shares is HK\$1,920,000.

## **Placing Price**

The Placing Price of HK\$1.00 per Placing Share represents (i) a discount of approximately 14.53% to the closing price of HK\$1.17 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 18.70% to the average closing price of approximately HK\$1.23 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares and market conditions.

## **Placing Commission**

The Placing Agent will charge the Company a placing commission of 1% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually and successfully placed by the Placing Agent. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing market commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares.

The Directors consider that the terms of the Placing Agreement, including the Placing Price and the placing commission, are arrived at on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares shall rank, upon allotment and issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

The Placing is conditional upon:

- (i) the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares and such approval and permission not subsequently revoked prior to the Completion;
- (ii) none of the Placees becoming a substantial shareholder (as defined in the Listing Rules) of the Company as a result of the Placing;
- (iii) the warranties given by the Company as set out in the Placing Agreement remaining true and correct and as of Completion; and
- (iv) the Company obtaining all necessary consents and approvals (if any) from the relevant authorities in respect of the transactions contemplated under the Placing Agreement, if applicable.

Save for condition (iii) above which can be waived by the Placing Agent, none of the conditions can be waived by any parties to the Placing Agreement.

In the event that the conditions above have not been satisfied or waived by the Placing Agent (as the case maybe) on the Long Stop Date, all obligations of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party, save for any liability arising out of any antecedent breaches thereof.

## **Warranty by the Company**

The Company warrants and represents to and for the benefit of the Placing Agent that it shall not in any event issue any new Shares to the existing Shareholders from the date of the Placing Agreement and up to and including the Closing Date or the termination of the Placing Agreement, whichever is earlier.

## **Completion**

Subject to the fulfilment of the conditions referred to in the Placing Agreement, Completion shall take place on the Closing Date.

## **Application for listing of the Placing Shares**

Application will be made by the Company to the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

## **General Mandate to allot and issue of the Placing Shares**

The issue of the Placing Shares is not subject to Shareholders' approval.

The Placing Shares will be issued under the General Mandate granted to the Directors at the AGM subject to the limit up to 192,000,000 Pre-consolidated Shares (representing 20% of the total number of issued Pre-consolidated Shares as at the date of the AGM). The Share Consolidation became effective on 22 November 2023, as such the limit of the General Mandate was adjusted to 19,200,000 Shares (representing 20% of the total number of issued Shares as at the date of this announcement).

Up to the date of this announcement, the General Mandate has not been utilised. The maximum number of 19,200,000 Placing Shares to be allotted and issued will fully utilise the General Mandate.

### **Termination**

The Placing Agent may terminate the Placing Agreement by notice in writing to the Company with immediate effect at any time between the date of the Placing Agreement and at or before 5:00 p.m. on the Closing Date upon the occurrence of the following events:

- (i) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the sole and absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company; or
- (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the sole and absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the placing of the Placing Shares to potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

- (iii) any material change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs which affect the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the sole and absolute opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (iv) any suspension of dealings in the Shares on the Stock Exchange for any period of seven consecutive trading days or more (other than as a result of announcing the Placing Agreement); or
- (v) any litigation or claim of any third party being threatened or instigated against any member of the Group which is material in the context of the Placing; or
- (vi) an order is made or a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or
- (vii) any demand by any creditor for repayment or payment of any indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity or any event, act or omission which gives rise to or is likely to give rise to any material liability of the Company; or
- (viii) any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and/or liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) which in the sole and absolute opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (ix) the Company commits any material breach of (or where the material breach is capable of being remedied, that breach has not been remedied within a reasonable time) or omits to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement; or

- (x) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its absolute opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

If the Placing Agreement shall be terminated pursuant to the paragraph above, the obligations of the Placing Agent shall be null and void and the Company shall not be liable to pay any commission and other provisions of the Placing Agreement (save for those set out in the Placing Agreement) shall forthwith cease and determine and no party thereto shall, save as provided for in the Placing Agreement, have any claim against the other party for compensation, costs, damages or otherwise.

## **REASONS FOR THE PLACING AND THE USE OF PROCEEDS**

The Company is a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange. The Group principally engaged in the provision of (i) foundation construction; (ii) ground investigation services; (iii) financial services; and (iv) trading of beauty and skin care products.

In view of the uncertainties in the economic and business environment of Hong Kong, the Company considers it is critical to replenish the financial resources of the Group for its development. The Directors are of the view that the Placing will strengthen the financial position and liquidity of the Group and provide financial resources to the Group without incurring interest costs. The Directors also believe that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base.

Assuming all the Placing Shares are fully placed, the gross proceeds from the Placing will be approximately HK\$19.2 million and the net proceeds will be approximately HK\$18.7 million (after deduction of commission and other expenses of the Placing), representing a net issue price of approximately HK\$0.97 per Placing Share. The Directors intend to apply the entire net proceeds for the administration and operation expenses of the headquarters of the Group in Hong Kong (including director and staff remuneration, rental expense, professional fee and other operation expenses).

The Directors have considered using rights issue as a way to raise funds, and are of the view that it will take a longer time to complete and incur additional administrative cost as compared to the Placing as rights issue involves the issue of a prospectus together with other application and administrative procedures. The Directors believe that the Placing is more efficient in terms of time and costs for the Company.

Accordingly, the Board is of the view that the terms and conditions of the Placing Agreement are fair and reasonable and are on normal commercial terms and the Placing is in the interest of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had not conducted any fund raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon the Completion (subject to the Completion, assuming all the Placing Shares are fully placed and that there is no other change in the shareholding structure of the Company from the date of this announcement up to the Completion) are set out below:

Shareholder	As at the date of this announcement		Immediately upon the Completion (assuming all the Placing Shares are fully placed)	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
Concert Parties (“ <i>Note</i> ”)	27,392,000	28.53%	27,392,000	23.78%
Placees	–	–	19,200,000	16.66%
Public Shareholders	<u>68,608,000</u>	<u>71.47%</u>	<u>68,608,000</u>	<u>59.56%</u>
Total	<u><u>96,000,000</u></u>	<u><u>100%</u></u>	<u><u>115,200,000</u></u>	<u><u>100%</u></u>

*Note:*

Pursuant to a concert party deed dated 3 December 2014, Samwood Global Limited, Suntecli Company Limited, Mr. Leung Man Lun Stephen, Mr. Lau Woon Si and Mr. Fong Hon Hung (the “**Concert Parties**”) are parties acting in concert (having the meaning as ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and they in aggregate held 27,392,000 Shares, representing approximately 28.53% of the existing issued share capital of the Company as at the date of this announcement.

**Shareholders and potential investors of the Company should note that the Completion is subject to the fulfilment of the conditions as set out in the Placing Agreement. The Placing may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“AGM”	the annual general meeting of the Company convened on 30 August 2023
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which licensed banks generally are open for business in Hong Kong, other than (i) a Saturday or a Sunday; or (ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Closing Date”	the fifth Business Day after the fulfilment of the conditions set out in the Placing Agreement (or such other date as the Company and the Placing Agent may agree in writing)
“Company”	Wan Kei Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 1718)
“Completion”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to issue, allot and deal with not exceeding 20% of the total number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Last Trading Day”	3 April 2024, being the last trading day for the Shares prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	2 May 2024, being one month from the signing of the Placing Agreement
“Placee(s)”	any professional, institutional and/or other investor(s) who are Independent Third Parties procured by the Placing Agent or its agents to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 19,200,000 Shares pursuant to the terms of the Placing Agreement
“Placing Agent”	Beta International Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 3 April 2024 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$1.00 per Placing Share
“Placing Shares”	up to 19,200,000 Shares to be placed under the Placing
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-consolidated Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately prior to the Share Consolidation becoming effective

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	fully paid ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share Consolidation”	Share consolidation of every 10 Pre-consolidated Shares into 1 Share which became effective on 22 November 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Wan Kei Group Holdings Limited**  
**Yan Shuai**  
*Chairman*

Hong Kong, 3 April 2024

*As at the date of this announcement, the executive Directors are Mr. Yan Shuai, Mr. Bai Huawei and Mr. Wang Yu; the non-executive Directors are Mr. Zhang Zhenyi, Mr. Chui Kwong Kau and Mr. Lui Kwok Wai; and the independent non-executive Directors are Mr. Eric Todd, Mr. Jiang Senlin and Mr. Zhang Yi.*